

Legislative Fiscal Bureau

Fiscal Note

HF 591 - Employment Security Legislation (LSB 1236 HV)
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Fiscal Note Version — New

Description

House File 591 extends the repeal of the employment security administrative contribution surcharge from July 1, 2003, to July 1, 2008. The surcharge, capped at \$6.5 million, is levied as a percent of an employers gross taxable wage base. The revenue from the surcharge is used to support 56 rural and satellite offices of the Department of Workforce Development and to provide for labor surveys and other labor force related services.

Assumptions

1. The surcharge repeal would be extended from July 1, 2003, to July 1, 2008.
2. Approximately \$6.5 million in surcharge revenues would continue to be collected.

Fiscal Impact

House File 591 will generate approximately \$6.5 million in revenues for Iowa Workforce Development annually from FY 2004 through FY 2007. This is no change compared to revenues generated in FY 2003. However, if House File 591 does not pass, under current law, Iowa Workforce Development will incur a loss of \$6.5 million and will have to find alternative sources of funding to keep 56 rural and satellite workforce development offices open.

Source

Iowa Workforce Development

/s/ Dennis C Prouty

March 18, 2003

The fiscal note and correctional impact statement for this bill was prepared pursuant to Joint Rule 17 and pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Legislative Fiscal Bureau to members of the Legislature upon request.
